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DISPATCH NO. OTRA-1257

SECRET/SECURITY INFORMATION

BGFINESSE

CLASSIFICATION

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DATE

.12 August 1953

Chiler, WE Atta: Chief, Italian Branch FROM : Senior Representative,

SUBJECT: GENERAL-

SPECIFIC-

Meetings in Bomer SIFAR, Interior Mixistry and German Service according to HASS

Date of info: 9 July 1953 Date reed: 14 July 1953

Eval: B-3 Ref: OIRA-1218, OIR-4340, OIRA-1258

- 1. Through Source, who works within the reconstituted German Service and who has the task of performing observations and penetrations, it was possible to follow and make note of manifestations and reactions of Friedrich HEINZ and Hermann MULLER as a result of the meetings in Rome.
- Attached are two reports prepared by Source on the meetings attended by HEINZ and MULLER and on HASS* commonts, sentiments, and proposals.
- 3. The reports, from which has been removed all that could be considered the result of MASS' boasting or misunderstandings, faithfully represent all that HASS confided to his friend and collaborator regarding the meetings and agreements made therest.
- 4. The case of the typewritten material of which EMRKE (his collaborator) made two copies (Attachment II), and which was furnished to other Services, is presently the object of surveillance.

Prepared by F 11 August 1953 Enclosures: 2 reports

Distribution: 3-dash 3-7iles

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ATTACHMENT I to

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Activity of Karl HASS

1. After a long interlude, HASS received from Lois EDER new information material which I saw. It dealt with the movement of Seviet troops in the military center of Bruck and to another item, which I do not remember, were attached 2 small maps, about half a sheet in size, on yellow translucid paper. In all, about 8 or 10 sheets of material. There also was attached a pemphlet in Russian, half a sheet, unstitched, with motes in pencil, in Russian; a triangle of grey material bearing presumable Russian military markings.

RIS INPUT 20. 03 1 July 1953, prior to leaving for Florence where he was to meet HEMEZ, HASS entrusted the typewritten material to EMEKE requesting that another two copies be made. It will be simple for the competent office to learn if HASS transmitted to EMER the original copy or the original of the two copies typed by EMEKE.

- 3. I desire here to call attention of the competent effice* to the following considerations:
 - a. HASS is in contact with an American official resident in Milan, former member of the CIC who has, according to HASS, left the service and is now engaged only in business activity in Italy. HASS recently went to Milan to see this person from whom he received 600,000 lire.
 - b. EMBEE, on either the night of 1 July or the morning of 2 July, left for Genoa and then for Milan to return the money to the American officer in HASS' place, as the latter had to go to Florence and Rome for the known meetings.
 - c. The fact that before he left for Hilan EMBRE made two copies of the EDER materials would lead to the legitimate supposition that at least one of these copies was destined for others and, presumably, for the person resident in Hilan.

*Italian Service

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ATTACHMENT II to

OIRA-1257 BGFIRESSE 11 August 1953

Meetings with HEINZ

RIS INTERIOR NO. 23

- 1. HASS has reported that he met HEIEZ in Florence. HEEZ was assumpanied by his wife and by Najor MULLER, director of the Numich Center. The three had come from France where they reportedly visited a group of about 200 German efficers who are stationed in the Atlantic Command there. These are said to receive a high monthly salary and a per diem of 90 marks.
- 2. HASS made no mention whatever of the simultaneous presence in Italy of Lois EDER. He limited himself to stating, a propos, that in the course of HEIHZ's meetings with Italian authorities in Rome, a "diplomatic" error had been committed in that BARIETTA had talked with HEINZ (as an official thing) of the collaboration accorded by EDER to the Italian Services, a collaboration which actually is being developed on a strictly personal plane.
- 3. It appears, however, that HEDEZ did not give too much weight to the statement.
- 4. HASS did not have to try too hard to convince HKINZ that he should go to Rome. Chronologically, the following meetings took place in Rome:
 - a. HEINZ, MULLER, BARLETTA, CAPUTO, HASS.
 - b. HEINZ, CAPUTO.

- c. CAPUTO, Colonel "ROSSI" (SIFAR) [] Comment:
 Actually Colonel PETORILO).
- d. HRINZ, MULLER, General MUSCO, Colonel ROSSI, HASS.
- e. Colonel ROSSI, General MUSCO, HASS.
- 5. HASS stated that he had acted as an interpreter in the meetings with HEINZ. He was sorry that his translation had perforce to be exact in the meetings with BARLETTA because of the presence of CAPUTO who speaks German well. Instead, in meetings with General MUSCO, he declared that he had given versions which better corresponded to his particular points of view and that he had in this way obtained the function of liaison between SIFAR and HEINZ (HEINZ allegedly believed that the request had come from MUSCO and MUSCO believed that the request had come from HEINZ).

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- 6. HASS claims that he achieved an analagous liaison between BARLETTA and HEIEZ, at the request of BARLETTA, in accordance with prior agreements with HASS.
- 7. In the meetings with General MUSCO, the latter was reported to have underlined previous relations between HASS and ROSSI; it appears, however, that HEIMZ understood more than was necessary.
- 8. In the various meetings with MUSCO and BARLETTA of a political and military information nature an active exchange of information was agreed upon in the anti-Communist struggle and the defense of the respective State and military organisation. Before too long an Italian will be detached from SIFAR to Bonn to act as liminous with functions analogous to those HASS has in Rome.
- 9. The plan of collaboration, particularly military, will be perfected in August, after a HASS-MULIER meeting in Italy. HASS, as I have already said, had a very brief meeting with General MUSCO who thanked him for his personal collaboration, telling himsepecifically that he would support him financially with as much largesse as pessible in exchange for the gathering of military information on Eastern countries.
- 10. For this reason HASS gives me maximum assignments as he has no other possibilities in Italy, but he will receive not the slightest collaboration from me in this field without the approval of the competent office."
- 11. HASS has requested my collaboration for the translation into Italian of information material which will be submitted to the SIFAE from Boom, and Italian information material which SIFAE will send to Boom. I made no sommitments, as I await instructions. (Field Comment: Source has been told by his control to infiltrate as much as possible and to accept). I wish to point out that since this material goes through HASS! hands, I can assume no responsibility for the confidential nature thereof should my collaboration with HASS we desired. (Field Comment: Source has a low regard for HASS).
- 12. At the close of the meetings, HEINZ and MULLER departed by car for

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Santa Margherita Ligure (in 1950 a member of the German Military Intelligence Service lived in that area).

- 13. HEINZ had a favorable impression of Italian hospitality and of the Service Chiefs BARLETTA and MUSCO. HASS reported instead that he had the impression that General MUSCC could be played easily. On the other hand, he has a high respect for Colonel BOSSI whom he describes as a person of rare ability.
- 14. HASS was urgently requested by HEINZ to obtain a detailed biography of General MUSCO. I declined the task of looking into this, suggesting that he check C. I Comment: See Plan LARNAX) who, during the war, had taken an interest in the then Colonel MUSCO. Comment: Source's control will question C. Jabout this).
- 15. HEINZ and MULLER were greatly impressed (it appears they are endowed with a rare form of avarice) by the fact that the hotel bill was paid for by the Ministry of Defense. From this came forth an invitation to the Italian Service Chiefs to go to Germany in September for the stag hunt.
- 16. HASS is convinced that he has again become a strong person and, atill imbued with the official atmosphere of the meetings, is not unbending too much. I shall try to sweeten him up with a bottle of cognac if it is felt that this will be useful, and we shall always be completely informed.

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SECRET (When Filled In)

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CIC Tinforment of Joseph WOUGO Rome Italy li-a



HASS Stubaf. Ho: 5.12.4752 GIS Officials, Conted List.

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